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**COUNTY OF FRESNO SETTLES MEDICARE FRAUD CASE  
ARISING OUT OF PHYSICIANS' WHISTLE-BLOWER CLAIMS**

FRESNO - United States Attorney McGregor W. Scott announced today that the County of Fresno ("Fresno County") has agreed to settle claims that Fresno County and the Fresno County Human Health System defrauded the Medicare program by submitting false claims for services not reimbursable under Medicare. Fresno County has agreed to pay \$376,000 to the United States, in addition to \$276,937 that Fresno County has previously repaid to the Medicare program in response to the government's investigation in this case. In total, Fresno County will pay \$652,937 to the United States to resolve the government's claims. As part of the settlement, Fresno County also entered into a five-year Integrity Agreement with the U.S. Department of Health and Human Services, Office of Inspector General, to monitor Fresno County's Federal health care program billings.

This case was investigated by the U.S. Department of Health and Human Services, Office of Inspector General, in conjunction with the U.S. Attorney's Office and the Commercial Litigation Branch of the Department of Justice.

According to Department of Justice Trial Attorney Michal Tingle and Assistant U.S. Attorney Kirk Sherriff, who handled the case, the investigation arose out of a Medicare audit in 2001 and a whistle-blower complaint filed by Dr. Barnett S. Salzman ("Salzman") and Dr. Jerome R. Lance ("Lance") in August 2001. Drs. Salzman and Lance are both psychiatrists, and Dr. Salzman was at one time employed by Fresno County. The whistle blower complaint alleged that Fresno County had submitted false claims to Medicare for mental health services. The contentions included claims that Fresno County billed Medicare for mental health services provided by case workers and other non-physician staff as though those services were provided by physicians. In addition to the settlement with the United States, Fresno County will also pay \$25,000 to Drs. Salzman and Lance for certain of their attorney's fees and costs.

The False Claims Act was enacted in 1863 at the request of President Lincoln, who believed that the Union Army was being defrauded by dishonest contractors during the Civil War. Under the False Claims Act the United States can recover as damages up to three times the amount lost due to the fraud, as well as penalties for each false or fraudulent claim submitted to the government. The False Claims Act provides that a person aware that the government is

being defrauded can file a complaint under seal on behalf of the government, as a "whistle blower", and then share in the government's recovery under the Act. The complaint is not served on the defendant until the government investigates and makes a determination on whether to take over the case.

This settlement resolves the government's claims against Fresno County, but does not resolve personal claims that Dr. Salzman has raised against Fresno County.

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